

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6300

BILL NUMBER: HB 1169

DATE PREPARED: Nov 30, 1998

BILL AMENDED:

SUBJECT: Insurance for volunteer firefighters.

FISCAL ANALYST: Beverly Holloway

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires a unit to purchase an insurance policy to provide a weekly benefit for total disability of not less than \$250 for a maximum of 260 weeks. A unit's insurance policy must pay a volunteer firefighter not less than \$150,000 if the firefighter becomes totally and permanently disabled for a continuous period of not less than 260 weeks as a result of an injury from smoke inhalation that occurred in performance of the firefighter's duties. A policy of insurance purchased by a unit may provide for: (1) the extension of the weekly benefit amount for total disability after the expiration of 260 weeks, for the life of the member with or without the benefits for partial and permanent disability; and (2) the coordination of the member's other benefits; where a disability prevents a member from performing any reasonable employment. (The introduced version of this bill was prepared by the Interim Study Committee on Local Government Issues.)

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill requires a unit's insurance policy to increase the weekly benefit for total disability for a volunteer firefighter from \$150 per week to \$250 per week, up to a maximum of 260 weeks. The bill also increases the amount from \$60,000 to \$150,000 for a volunteer firefighter who is totally and permanently disabled for a continuous period of not less than 260 weeks as a result of an injury from smoke inhalation that occurred in performance of the volunteer firefighter's duties. The current average insurance premium cost per volunteer firefighter is \$105. A preliminary estimate of the impact of the provisions of this bill will increase, by 7%, the average premium cost per volunteer firefighter. The increase will make the average premium an estimated \$112 per volunteer firefighter. There are 22,000 volunteer firefighters in Indiana. The fiscal impact will vary among units and is dependent on the number of volunteer

firefighters serving the unit.

This bill provides that a policy of insurance purchased by a unit may provide for: (1) the extension of the weekly benefit amount for total disability after the expiration of 260 weeks, for the life of the member with or without the benefits for partial and permanent disability; and (2) the coordination of the member's other benefits; where a disability prevents a member from performing any reasonable employment. The impact of this provision indeterminable and dependent on local action.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Units with a volunteer firefighting company.

Information Sources: Tonya Galbraith, Indiana Association of Cities and Towns, (317) 237-6200. John Shanks, Indiana Volunteer Firefighter's Association, (317) 636-5511. Troy Fornof, Provident, (800) 447-0360.